



Justin P. Wilson, Comptroller

November 16, 2017

Comptroller's Office Releases Report Examining Higher Education Funding Formula

The Comptroller's Office of Research and Education Accountability (OREA) has released a new report and supplemental documents explaining the formula used to fund Tennessee's public colleges and universities.

A substantial amount of public funding is allocated based on the recommendation created by this complex formula. In 2017-18, approximately \$913 million appropriated for higher education was allocated to colleges and universities according to the formula, which is designed to fund higher education based on outcomes and performance rather than enrollment.

The report provides an examination of the rise of outcomes-based funding in Tennessee and a detailed look at how the formula creates funding recommendations for each college and university. Throughout the report, the major components that drive the funding recommendations are explained and accompanied with examples of their impacts on colleges and universities. The report concludes with exhibits showing how changes occur to the funding recommendations for each community college and public university in the state.

The report is intended to provide legislators, higher education administrators and stakeholders, and the public with a better understanding of the outcomes-based funding formula.

To supplement the report, OREA has also produced several other documents that help explain the formula and how it produces funding recommendations. Each document adopts a different format for explaining the formula, and provides the reader different methods for understanding how the formula works. These include a four-page brief, an infographic detailing the funding recommendation process created by the formula, and a one-page executive summary.

The Comptroller's report and supplemental documents aim to make the state's funding formula for higher education more understandable and transparent.

To read the report and the various supplemental materials, please visit OREA's website at:

<http://comptroller.tn.gov/orea/obf>

Media contact: John Dunn, Public Information Officer, (615) 401-7755 or john.dunn@cot.tn.gov

